# STATE REPRESENTATIVE : 33rd ASSEMBLY DISTRICT

TO:

Members of the Assembly Committee on State Affairs

FROM:

Representative Scott Newcomer

DATE:

February 27, 2007

RE:

**Assembly Bill 122** 

Chairman Van Roy and members of the State Affairs Committee:

Thank you for giving me this opportunity to speak today on Assembly Bill 122. This bill is common sense legislation and I feel you will find it is long overdue. It is our responsibility, as representatives, to make sure the law does not get in the way of our retailers' ability to market products in the best possible way.

Under current law, retailers are allowed to provide two wine samples of not more than three fluid ounces each on licensed premises; however, retailers cannot provide the same type of sampling with beer. This bill allows retailers to provide two samples of beer and wine of not more than three fluid ounces. This legislation is long overdue since Wisconsin already allows wine samples.

This will give the brewers of Wisconsin, big and small, a tool to market new products to consumers and allow retailers to cross-market to consumers of other food products. By giving consumers the ability to sample products prior to purchase, we will be encouraging Wisconsin retail sales and improving consumer choices.

Thank you for this opportunity and I hope you will agree that we need to make this important change.

Sincerely,

Scott Newcomer, Representative

33rd Assembly District

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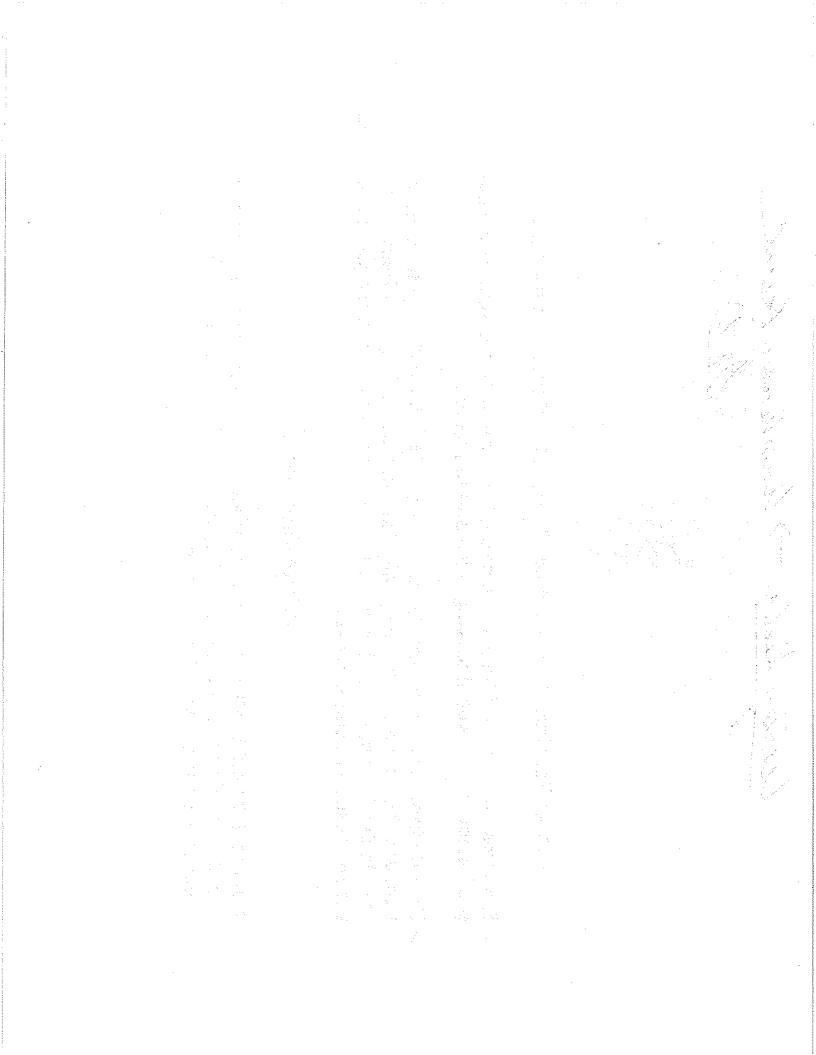


# Beer Tasting Without Beer Distributors' Involvement.....

- Requires retailers and brewers to hire third-party tasting companies nonprofessionals in alcohol serving rules and regulations.
- middle tier from participating removes the local presence and customer service ightlerightarrow Beer distributors are the crucial middle tier of the three-tier system, crucial because they are the beer companies' primary sales force. Prohibiting the the retailers have come to expect.

# Fix The Problem.....

tasting to do so. The amendment allows distributors to maintain consistent Amend the bill to allow beer distributors who want to participate in beer customer service with their retail customers.





ONE SOUTH PINCKNEY, SUITE 504 . MADISON, WI 53703 . 608/244-7150 . FAX 608/244-9030

Testimony of Dave Hegenbarth, Hegenbarth Food Group, Inc.
Assembly Committee on State Affairs
Tuesday, February 27, 2007

# **GROCERS SUPPORT BEER TASTING**

# Good Morning.

Mr. Chairman, members of the Committee, My name is Dave Hegenbarth. I am the President and CEO of Hegenbarth Food Group which owns and operates Piggly Wiggly stores in Galesville, LaCrosse, Sparta and Arcadia, and a Pig Stop Convenience Store in Galesville.

I'm here today as Chairman of the Wisconsin Grocers Association representing more than 1000 retail and other members of the food industry in Wisconsin.

My testimony is in support of Assembly Bill 122, introduced by Representative Newcomer and Senator Kreitlow, allowing the limited sampling of fermented malt beverages on the premises of Class A license holders.

Product sampling has long been a staple of successful retailers across the state of Wisconsin. The customer friendly practice of allowing consumers to taste product before making a purchase decision all but guarantees satisfaction.

About three years ago this Legislature passed a similar bill allowing wine sampling on the premise of Class A licensees. Sensibly limited to two, three-ounce samples per customer per sampling day, wine sampling has proven very safe and successful and has been embraced by consumers wading through the 1000's of wine varieties available in the State.

Over the last number of years the Beer industry has dramatically increased the variety of offerings available to Wisconsin consumers. In our view the time has come to allow the very significant Wisconsin Beer Production Industry the same opportunity in promotion of it's product.

A controlled environment, with controlled, experienced, knowledgeable staff has kept wine sampling safe and successful. That same requisite focus and civic responsibility will insure safe and successful fermented malt beverage sampling as well.

The Wisconsin Grocers Association considers this Legislation beneficial not only to the involved Retail Industry and Beer Production Industry but also for the increased satisfaction of the Wisconsin consumer.

On behalf of the Wisconsin Grocers Association and Retail Grocers throughout this State, Thank you. I appreciate your time today and your support of this legislation.

I'd be happy to try to answer any questions you may have.



**Bob Spoerl** 

Premium Brands Chair

**Brian Morello** 

Beloit Beverage Co. Vice-Chair

Garry Bunz

H & M Distributing Company Treasurer

Ken Eggen

Dean Distributing Secretary

Eric Jensen

**Executive Director** 

2007 Members Arcadia Beverage Company Baer's Beverage Beer Central: Inc. Beechwood Distributors Beloit Beverage Company: Bill's Distributing, Ltd. C & H Inc. of Reedsburg Central Beer Distributors Inc. Dean Distributing Flanigan Dist. of Door County Four Seasons Beer Distributing Frank Beer Distributors General Beer Distributors General Beer Northwest H & M Distributing Company Hellman Distributors Jozaitis Distributing Kay Beer Distributing LaCrosse Beverage, LLC Larry's Distributing Company Miller Beer of the Northwoods Miller Brands-Milwaukee, LLC Northwest Beverages Oneida Sales & Service Park Ridge Distributing Pehler Brothers Distributing Prairie Beer Dist. Company Premium Brands River City Distributing S & S Distributing Ott Schweitzer Distributorship Superior Beverages, LP

Triangle Distributing Company Western Distributing Company Wisconsin Distributors, LP Wisconsin Distributors - Appleton Wisconsin Wetgoods Co. W.O.W. Distributing Co. Inc. Zastrow the Beer Man, Inc. TO: Members, Assembly Committee on State Affairs

FROM: Eric Jensen, Executive Director

DATE: February 27, 2007

RE: AB 122 - "Off Premise Beer Sampling"

AB 122 would authorize beer to be sampled at "off premise" retail locations like grocery, liquor and convenience stores. Under AB 122, Brewers and retailers are authorized to conduct the sampling events, or to hire 3<sup>rd</sup> parties to do so, and beer distributors are prohibited from participating.

WBDA polled its members on this issue twice - once in the spring of 2006 when a similar bill was being debated, and once this past fall when the issue reappeared. The will of our membership was consistent and crystal clear - "sampling" is ok if distributors are not involved.

Beer distributors do not serve or sell beer to consumers and cannot be licensed to do so; that is not our role in the system. Small though the sample sizes may be, our members do not wish to be exposed to potential liability that may arise if they are to become "alcohol servers" by passing out samples to consumers. The only complete protection is to prohibit distributors from being involved.

Therefore, during the weeks of negotiations among the interested parties, we have sought inclusion of language expressly prohibiting the involvement of distributors in "sampling." AB 122 accomplishes that goal; accordingly, WBDA does not oppose AB 122.

Some may yet seek to involve distributors in "sampling." We strongly oppose any amendments to AB 122 that would do so. Inclusion of such an amendment would bring WBDA's opposition to the bill as a whole.

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Thank you for this opportunity and I hope you will agree that we need to make this important change.

Sincerely.

Pat Kreitlow

Wisconsin State Senator

23<sup>rd</sup> District